

BONNER: Obama BP claims czar fails oil-spill victims

Broken reimbursement system doesn't deliver on promises

By Rep. Jo Bonner

-

The Washington Times

Tuesday, December 7, 2010

Page B3

Eight months after the BP spill, Gulf Coast beaches may be clean, but local businesses are dying from a summer tourist season that was covered in oil. Unlike Tony Hayward, whose lack of sensitivity to victims was a national spectacle, BP claims czar Kenneth Feinberg so far has eluded criticism for his mishandling of a flawed claims system.

On June 14, President Obama traveled to my congressional district to stand with stricken Gulf

Coast families, fishermen and small businesses struggling to recover from the most devastating oil spill in our nation's history. His visit and his promise "to set aside whatever resources are required to compensate workers and business owners who have been harmed as a result of [BP's] recklessness," brought hope to a dispirited region still unable to get its collective arms around the magnitude of the catastrophe unfolding before us.

The president's determination to "do whatever's necessary to help the Gulf Coast and its people recover from this tragedy" instilled in many the courage to hold on. Sadly, six months later, our hope has dimmed along with the fading glare of the media spotlight.

The simple truth is that promises were made to Gulf Coast residents that have not been kept. Empty assurances made chiefly by the president's handpicked administrator, Mr. Feinberg, have cruelly mocked the thousands of once-hopeful businesses at what is the oil spill's economic ground zero, coastal Alabama.

When he assumed his position as claims czar on Aug. 23, Mr. Feinberg pledged: "I want to make sure the people of the Gulf understand we will not let you go out of business or lose your home. The No. 1 priority of the GCCF [Gulf Coast Claims Facility] is to assist the people in the Gulf."

Sadly, Mr. Feinberg's promises have proved to be hollow - if not deliberately deceptive. The \$20 billion escrow account hailed by the administration last summer is today guarded jealously by a

callous administrator who pledges publicly to make good on damage claims, yet delays, underpays and, in far too many cases, denies legitimate claims without consistency or transparency.

While Mr. Feinberg likes to divert attention away from the facts to talk about the thousands of people who have submitted little or no documentation to justify their claims, my response to him has been simple: Throw those claims in the trash where they belong.

None of Alabama's elected officials wants a dime paid to anyone who has fraudulently submitted a claim, nor a penny less due to those legitimate businesses and individuals who deserve compensation.

While Mr. Feinberg continues to drag his feet, many of our small-business owners are on the verge of bankruptcy and closure. According to a recent University of Alabama analysis, total economic cost from the oil spill could climb to \$3.3 billion in lost output and nearly \$1 billion in lost earnings. Contrast this to Mr. Feinberg's assertion that his \$252 million in payments to Alabama businesses, as of early December, are a success.

Since he took over the claims process in August, Mr. Feinberg has received 14,175 Alabama business claims and has left 37 percent unpaid. Of those claims he has paid, many have been compensated at much less than the value of their loss. He recently admitted that his claims center pays very few of the largest claims in full and applies uneven criteria when evaluating

small and larger business claims - a reversal from what he stated previously.

One of our many coastal business owners to receive pennies on the dollar from Mr. Feinberg recently characterized his payment: "The check was just big enough to cover the sales tax we were behind and pay our vendors. We weren't able to save our house or cover any of the rents we are behind. We feel like we are the bad guy here and that we did something wrong. Our house is gone by the first of December, and our business will be gone by the first of the year if we don't get this money."

A couple of weeks ago, the Mobile Press-Register powerfully expressed the sentiments of many Gulf Coast victims in calling for Mr. Feinberg's ouster: "Until there's a change at the top and claims are finally paid, the Gulf Coast will not bounce back from the BP oil spill."

In meeting after meeting, Mr. Feinberg has looked Alabama's elected leadership - as well our citizens - in the eye and made false commitments to fairly, justly and swiftly handle business claims. His failure to follow through with his promises has led me and many on the Gulf Coast to lose faith in his ability to administer the claims process.

Mr. Feinberg has placed me in the highly unusual and regrettable position of calling for the U.S. Justice Department to exercise administrative oversight of the GCCF.

However, the people of the Gulf Coast need an even stronger champion. They need their president to deliver on his promises.

Mr. Obama tapped Mr. Feinberg, gave him his authority, and is therefore uniquely capable of holding his feet to the fire until the last small business damaged by this tragedy is afforded due compensation. We cannot do any less than that and know we have fulfilled our promise to the people of the Gulf Coast.

Rep. Jo Bonner is a Republican member of the U.S. House of Representatives from Alabama.

<http://www.washingtontimes.com/news/2010/dec/6/obama-bp-claims-czar-fails-oil-spill-victims/>